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**U.S. CONVICTS KAZAKHSTAN HACKER OF BREAKING INTO
BLOOMBERG L.P.'S COMPUTERS AND ATTEMPTING EXTORTION**

JAMES B. COMEY, the United States Attorney for the Southern District of New York, and KEVIN P. DONOVAN, the Assistant Director In Charge of the New York Field Office of the FBI, announced that OLEG ZEZEV, a/k/a "Alex," a Kazakhstan citizen, was convicted in Manhattan federal court today on charges that he schemed to hack into Bloomberg L.P.'s ("Bloomberg") computer system in order to steal confidential information, and then attempted to extort \$200,000 from Bloomberg by threatening to disclose the confidential information to Bloomberg's customers and the media in an effort to harm Bloomberg's reputation.

After a three-and-a half-week jury trial, before United States District Judge KIMBA M. WOOD, ZEZEV was found guilty of all four counts against him - one count of attempted extortion, one count of sending extortionate threats, one count of

conspiracy to commit extortion and one count of computer intrusion.

Judge WOOD scheduled May 23, 2003 for ZEZEV's sentencing.

According to the evidence at trial, Bloomberg L.P. is a multinational financial data company that provided its customers in the international financial community with timely financial information and trading data through a computer network. The company was founded in 1981 by Michael Bloomberg, currently Mayor of the City of New York, who also was the President & Chief Executive Officer of Bloomberg, Inc., the general partner of Bloomberg.

According to the evidence introduced at trial, ZEZEV was the chief information technology officer at Kazkommerts Securities ("Kazkommerts") located in Almaty, Kazakhstan. In the Spring of 1999, Bloomberg provided database services to Kazkommerts. As a result, Kazkommerts was provided with Bloomberg's software needed to gain access to Bloomberg's services over the Internet. Those services were cancelled by Bloomberg in 1999 because Kazkommerts did not pay its bill.

The evidence at trial demonstrated that in March 2000, ZEZEV manipulated Bloomberg's software to bypass Bloomberg's security system in order to gain unauthorized access to Bloomberg's computer system so that he could pose as different

legitimate Bloomberg customers and employees. On 11 separate occasions during March 2000, ZEZEV illegally entered Bloomberg's computer system and accessed various accounts, including Michael Bloomberg's personal account as well as accounts for other Bloomberg employees and customers. ZEZEV copied various information from these accounts including: e-mail in-box screens, Michael Bloomberg's credit card numbers and screens relating to internal functions of Bloomberg. He also copied various internal information from Bloomberg that was only accessible by Bloomberg employees.

According to the evidence at trial, on March 24, 2000, ZEZEV sent Michael Bloomberg an e-mail from Kazakhstan using the alias "Alex" attaching various screens he had copied from Bloomberg's computer system demonstrating his ability to enter the Bloomberg computer system as any user. He wrote in an attachment to the e-mail that he had "all possibilities. I can log under the name of any Bloomberg user including Super Users such as yourself." He then asked for payment and threatened: "There a lot (sic) of clever but mean heads in the world who will use their chance to destroy your system to the detriment of your worldwide reputation." ZEZEV ended the letter with "Your security and reputation are in your hands." The evidence at trial established that Michael Bloomberg then decided to contact

the FBI. Under the FBI's direction, Michael Bloomberg communicated with ZEZEV via e-mail during the Spring and Summer of 2000.

The evidence demonstrated that ZEZEV sent an e-mail on April 17, 2000, to Michael Bloomberg threatening that if Michael Bloomberg did not send him \$200,000 he would disclose to the media and Bloomberg's customers that he was able to gain unauthorized access to Bloomberg's computer system.

According to the evidence at trial, Michael Bloomberg, acting in conjunction with FBI agents, sent ZEZEV e-mails saying that if ZEZEV wanted the money he would have to meet with Michael Bloomberg and some of Bloomberg's computer specialists in London and explain to them how he was able to break into Bloomberg's computer system.

The evidence demonstrated that the e-mails themselves came from two e-mail accounts at a company called Hotmail, which ZEZEV had registered under a false name. The e-mails were traced back to Kazkommerts Securities, where ZEZEV worked. After receiving the first e-mail, Bloomberg computer specialists were able to piece together how ZEZEV had broken in, and rewrote the software on the Bloomberg system to prevent him from accessing the system again.

The evidence showed that in August 2000, ZEZEV and an

associate, Igor Yarimaka (who has also been indicted on attempted extortion and conspiracy charges) traveled from London to meet with Bloomberg. On August 10, 2000, Michael Bloomberg, Tom Secunda, the Head of Technology at Bloomberg, and a British undercover agent posing as Michael Bloomberg's bodyguard met with ZEZEV and Yarimaka in London. The meeting was recorded by an undercover videotape. At the meeting, ZEZEV introduced himself as "Alex". Michael Bloomberg told ZEZEV and Yarimaka that they were extorting his company. ZEZEV and Yarimaka were arrested after the meeting.

The evidence demonstrated that On August 12, 2000, after, ZEZEV and Yarimaka were arrested, Michael Bloomberg's e-mail account received more threatening e-mails. In one of these e-mails, a co-conspirator states that he has not heard from ZEZEV and Yarimaka for 24 hours, and if Bloomberg does not do something about it, "I begin severe measures against you!!!! The truth about you is learned with all world!!!!"

On May 17, 2002, ZEZEV and Yarimaka were extradited from England to the United States to face the charges in the Indictment.

ZEZEV faces up to 5 years in prison on the conspiracy charge, up to 20 years in prison on the interference with

commerce by using extortion charge; 2 years in prison for the extortion of a corporation using threatening communications charge; and 1 year in prison for the unauthorized computer intrusion charge. ZEZEV faces a maximum fine of \$250,000 or twice the gross gain or loss resulting from the crime for each count.

Yarimaka is scheduled to be tried before Judge WOOD on March 10, 2003.

Mr. COMEY praised the investigative efforts of the Federal Bureau of Investigation's Computer Hacking and Intellectual Property Squad, the Kazakhstan National Bureau of Special Services, the General Prosecutor's Office in Almaty Kazakhstan and the London Metropolitan Police of the New Scotland Yard. Mr. COMEY also expressed his appreciation to Michael Bloomberg and Bloomberg, L.P. for their cooperation.

Mr. COMEY stated: "The Internet is a powerful communication tool in helping international commerce. This case demonstrates law enforcement's commitment to prosecute vigorously those individuals, wherever they are located, who seek to abuse this tool to their own ends. It further illustrates how important it is that victims of cybercrime report these kinds of crimes to the FBI."

OLEG ZEZEV, 29, is from Almaty, Kazakhstan.

Assistant United States Attorneys PAUL B. RADVANY and
ROBERT R. STRANG are in charge of the prosecution.

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